

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
JANUARY 19, 2009**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, January 19, 2009.

The meeting was called to order by Vice Chairman Alex Emmons.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Alex Emmons – Vice Chairman
Doug Schulte - Secretary
Wayne Schuetter – Water Commissioner
Mike Harder – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner
Rick Stradtner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

PLEDGE OF ALLEGIANCE (B-16)

Vice Chairman Alex Emmons introduced guest Noah Rydberg to the Board. Noah is a Boy Scout and said he is working on his Citizenship badge. Emmons then asked Noah to lead the Pledge of Allegiance.

REORGANIZATION OF THE UTILITY SERVICE BOARD FOR 2009 (B-40)

Vice Chairman Alex Emmons stated it is time for election of officers and Commissioners and he opened nominations for Chairman, Vice Chairman, Secretary, and all Commissioners.

Mike Harder nominated Alex Emmons for Chairman, Wayne Schuetter for Vice Chairman, and Rick Stradtner as Secretary. He also nominated himself, Mike Harder, for Wastewater Commissioner, Doug Schulte for Water Commissioner, Greg Krodel for Gas Commissioner, and Ken Sendelweck as Electric Commissioner.

Ken Sendelweck made a motion to close the nominations. Doug Schulte seconded the motion. Motion approved, 7-0.

Vice Chairman Alex Emmons then called for the vote on the nominations. The nominations for the Officers and Commissioners were approved, 7-0.

Newly elected Chairman Alex Emmons then introduced Rick Stradtner, the new member of the Utility Service Board, and welcomed him to the Board.

APPROVAL OF MINUTES (B-85)

Chairman Alex Emmons presented the minutes of the December 15, 2008, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Mike Harder made a motion to approve the minutes of the December meeting as presented. Wayne Schuetter seconded the motion. Motion approved, 7-0.

IMEA MEMBERSHIP DUES (B-104)

Jerry Schitter asked for Board approval to renew the IMEA (Indiana Municipal Electric Association) membership dues for 2009. This organization assists with mutual aid and safety training for the Electric Department employees. The membership dues for 2009 are \$8,400.00, which is the same amount as last year.

Ken Sendelweck made a motion to approve the IMEA membership dues of \$8,400.00 for 2009. Wayne Schuetter seconded the motion. Motion approved, 7-0.

REPORT ON POWER PLANT (B-127)

Windell Toby reported that the Power Plant has been back on-line since January 13th. He is not sure how long the plant will remain on-line. As the temperatures increase, the price for power goes down and the plant could be taken back off-line.

COAL PRICES (B-133)

Windell Toby stated that the coal supplier has dropped the price of coal from the \$65.00 per ton outlined in our current agreement, to \$50.00 per ton. This price will be in effect from January 12, 2009 until June 30, 2009. Starting July 1, 2009, the price will go back to \$66.92 per ton, which is an annual increase that is outlined in the agreement approved last year.

Sandy Hemmerlein stated that there is also a change in the coal quality from the current agreement. The BTU per pound will go from 11,200 to 11,000, which is a slightly less quality coal. Hauersperger and Toby have both looked at the numbers and they are still within the limits. The coal source section will also be changed to include Miller Creek Knox Pit. Toby stated it is the same coal company, but a different coal mine that is close by.

Hemmerlein stated there would need to be a motion to approve the amendment to the current agreement until June 30, 2009.

Mike Harder made a motion to approve the amendment to the coal supply agreement with PNR Sales Corporation. Doug Schulte seconded the motion. Motion approved, 7-0.

ELECTRIC PLANNING COMMITTEE REPORT (B-250)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

RESULTS FROM BID OPENING – CHURCH AVE. WATER MAIN PROJECT (B-252)

Mike Oeding stated that the City Engineer, Chad Hurm, has reviewed the bids and the low bid has met the specifications of the project. The base price for the project is \$163,715, with an addition of \$10,000 to use flowable fill instead of rock, and a deduction of \$30,000 to do the mains existing service taps ourselves. The price of the project would be \$143,715 from Messmer Mechanical.

Oeding anticipates starting on the project in the middle of March, after the weather breaks.

Wayne Schuetter made a motion to accept the bid from Messmer Mechanical for \$143,715. Doug Schulte seconded the motion. Motion approved, 7-0.

REQUEST FOR EXTENSION OF WATER OUTSIDE CITY LIMITS (B-295)

Mike Oeding stated he received a request from Steve Braun for water service outside of the city limits. The Braun property is located off of Meridian Road and 15th Street, past Sultan's Run Golf Course. This property was formerly the Urban Seng Memorial Forest. Braun is planning to build a residence on this property. There are two properties close to the Braun property that are already being serviced by the City.

Oeding stated it will be approximately 800 feet of line and two fire hydrants with an 8" main. The water service would be installed at Braun's cost. Braun would also have to file an annexation waiver, which would need to be recorded and received by the Clerk-Treasurer.

Construction will be overseen by the City and has to be installed to the City's specifications. The line will be tested before it is accepted by the City.

Greg Krodel made a motion to allow the extension of water service to the Steve Braun property, at his expense, subject to the recording and receipt of the annexation waiver by the Clerk-Treasurer. Rick Stradtner seconded the motion. Motion approved, 7-0.

HEDGE FOR GAS (B-371)

Oeding stated that UGM has made a small hedge of 15% of the gas for November through March of 2010 at \$6.89. This is \$6.80 less than the first hedge for the winter gas for 2008-2009.

Oeding said there is also the possibility of hedging some gas for summer as those prices are lower as well.

GAS PLANNING COMMITTEE REPORT (B-394)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (B-395)

Wayne Schuetter, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

WASTEWATER PLANNING COMMITTEE REPORT (B-399)

Mike Harder, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

CONFLICT OF INTEREST DISCLOSURE STATEMENT (B-404)

Bud Hauersperger presented the annual Conflict of Interest Disclosure statement for Mike Oeding.

Hauersperger stated that Mike Oeding is the president of the Board of the Gas Utilities Alliance, which provides excess liability insurance for our gas distribution system.

Greg Krodel made a motion to approve the Conflict of Interest Disclosure Statement for Mike Oeding as presented. Wayne Schuetter seconded the motion. Motion approved, 7-0.

CAPACITY PAYMENTS (B-423)

Bud Hauersperger stated that IMPA called him last week to give him an estimate on the amount of capacity payment Jasper should receive from MISO when they start making capacity payments on June 1, 2009. IMPA is estimating that Jasper should receive approximately \$26,000 per month.

Sandy Hemmerlein and Bud are reviewing the agreement IMPA sent and are working on getting some items changed or added. Hauerperger stated this agreement will need to be approved in the coming months and may require an Electric Planning Committee Meeting.

BACKHOE ANALYSIS (B-468)

Bud Hauerperger said he had Linda McGovren, the Controller, review his analysis on the backhoe replacement program as requested by the Board. Linda agreed that Bud's analysis represented present values and that the two year replacement program is still the best practice for replacing backhoes.

Jerry Schitter said he spoke with Hopf Equipment and many other municipalities are also using the two year replacement program.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (B-513))

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Wayne Schuetter made a motion to approve the claims as presented. Greg Krodel seconded the motion. Motion approved, 7-0.

ELECTRIC RATE ORDINANCE (B-528)

Sandy Hemmerlein informed the Board that the first reading of the Ordinance was done at last month's Common Council meeting. There were some questions about eliminating the out of city rates, so additional research was done and maps were given to the Council members outlining where the out of city rate payers are located.

Hemmerlein said the second reading will be done Wednesday night at the Common Council meeting and the Public Hearing should be held before February's meeting.

COMMENTS FROM CHAIRMAN (B-537)

Chairman Alex Emmons said he is looking forward to a challenging year and asked the Board to keep moving forward on issues as they arise.

Emmons also stated that Wayne Schuetter will continue to represent the Utility Service Board at the meetings concerning the Beaver Lake Dam compliance.

There being no further business to come before the Board, the meeting was adjourned at 7:36 PM upon motion by Greg Krodel and second by Mike Harder. Motion approved, 7-0.

The minutes were hereby approved _____ with _____ without corrections this _____ day of _____, 2009.

Attest: _____
Secretary Chairman